376. There was a net incoming of Rs. 57·19 lakhs under "Other Accounts" and Rs. 110·76 lakhs under "Reserve Funds" with a heavy net outgoing of Rs. 23·73 lakhs under 'State Certificates'. Public Account.

(ii) Excise.

377. In pursuance of the policy of introducing prohibition in the State, two more taluks, *viz.*, Alur and Arkalgud were declared dry with effect from 1st July 1954.

378. With the exception of dry Districts and four taluks in Hassan District *viz.*, Saklespur, Belur, Alur and Arkalgud and two in Bangalore District (Channapatna and Ramanagaram) the Excise and Opium privileges in the several wet Districts for 1954-55 were disposed of by the auction system.

379. Levy of Railway cess was stopped from 14th February 1952.

380. The Mysore Sugar Company Limited, Bangalore continued to be the manufacturing contractors for the supply of liquors. Distillery.

381. The rate of molasses arrack of 35 U.P. payable to Mysore Sugar Company was the same as in the previous year, *viz.*, Re. 0-12-9 per gallon. There was no change in the cost price of special liquor manufactured out of molasses.

382. The rates of bottling charges and packing charges also remained unaltered. The rates payable to Messrs. Mysore Sugar Company Limited from 1st April 1954 to end of March 1955 for the liquors supplied by them to Government Depots were :—

(*a*) Molasses Arrack ... Re. 0-12-9 per gallon.

(*b*) Special Liquors

1. Rs. 2-8-0 (naked) per gallon.
2. Rs. 5 bottling charges in quart bottles per gallon.
3. Rs. 10 bottling charges in pint bottles per gallon.

Packing Charges.

4. Rs. 6 per case of eight gallons in quart bottles
5. Rs. 5 per case of six gallons in pint bottles.

REVENUE AND FINANCE

383. There were two Distilleries in the State, *viz.*, Mandya Distillery managed by Messrs. Mysore Sugar Company Limited, Mandya and (2) Hospet Distillery managed by Messrs. India Sugars and Refineries Ltd. Hospet.

384. The productions and issues of spirits at the Hospet Distillery were :—

Denatured spirit.—	*Imperial Gallons.*
1. Manufactured during the year	26,129.6
2. Issues within the State ...	3,137
3. Exports outside the State ...	20,528.2

Rectified spirits.—	*Proof Gallons.*
1. Manufactured during the year...	10,062.0
2. Issues within the State ...	8,931.8
3. Exports outside the State ...	Nil.

385. The productions, issues, etc., of spirits and other liquors from the Mandya Distillery were :—

Kind of Spirits	*Manufacture*	*Issues*
1. Rectified spirits including absolute Alcohol ...	3,47,652.86	1,33,930.0
2. Power Alcohol ...	17,071.0	15,430.0
3. Denatured Spirits ...	1,07,205.0	96,721.0
4. Molasses arrack ...	2,32,763.6	2,12,197.29
5. Special Liquors ...	12,471.10	11,839.0

Toilet preparations.

386. The normal rate of excise duty on the spirit contents of medicinal preparations, whether manufactured in the State or imported from outside the State continued to be Rs. 5 per proof gallon. The Excise duty from Rs. 17-8-0 to Rs. 50 per proof gallon was enhanced from 10th August 1954 on spirits contained in flavouring and culinary essences.

387. There were no fresh licenses sanctioned during the year for the manufacture of spirituous medicinal preparations in the State.

Imports.

388. The spirituous medicinal preparations that were imported from places outside the State was 1,742.838 proof gallons.

Exports.

389. The export of spirituous medicinal preparations by the several Bonded Laboratories in the State to places outside the State amounted to 53,473.049 proof gallons.

Of these, 50,849,396 proof gallons were subjected to Excise duty and the balance of 2,623,653 proof gallons were on duty free basis.

Denatured Spirits.

390. Two hundred and eighty-two (248) licenses were issued during the year for the possession and use in the manufacture of polishes, Government Institutions and private hospitals.

391. A quantity of 96,721 gallons as against 1,25,389 gallons and 33 drams of denatured spirit in the previous year was issued out of the Distillery, Mandya. The rate of licence fee continued to be Rs. 2-8-0 per gallon. Denatured or Methylated spirit issued from the Distillery for exports outside the State continued to be exempted from payment of license fee.

392. A quantity of 2,32,763·6 drams of molasses arrack and 12,471·10 drams of special liquors were manufactured during the year in the Distillery at Mandya. Of these, 2,12,187·29 drams of molasses arrack and 11,839·0 gallons of special liquors were issued within the State. No quantity of molasses arrack was issued to places outside the State.

393. There were three concerns, who were permitted to manufacture Indian made foreign liquors, *viz.*, Messrs. Amrit Distilleries; (2) Messrs. Khoday R.C.A. Industries, Bangalore and (3) Messrs. Dasarath and Company, at Mysore.

394. A quantity of 31,640·96 proof gallons of Indian made foreign liquors was manufactured in the State during the year, of which 8,782·106 proof gallons were issued for consumption in the State and 20,231·101 proof gallons were exported outside the State. A quantity of 6,600 proof gallons was supplied to Defence Department on duty free basis. A sum of Rs. 76,338-12-0 was collected towards Duty on local consumption.

Toddy Shops.

395. The number of toddy shops for the sales of Date and Cocoanut toddy was 568 (568) while that for the sale of Bagani toddy was 6 (6).

396. No trees were permitted to be tapped free of tree tax for domestic consumption during the year.

397. Consequent on the extension of total probibition throughout Madras State no trees were licenced in Mysore State for Madras shops or in Madras for Mysore shops.

REVENUE AND FINANCE

398. The revenue from toddy amounted to Rs.72,27,005 (Rs. 73,52,609) comprising of shop rentals Rs. 64,09,631 (Rs. 65,30,709), tree tax Rs. 7,90,424 (Rs. 7,95,146) and tree rent Rs. 26,950 (Rs. 26,754).

Malt Liquors.

399. The number of licenses issued exclusively for sales of country beer was 10 (10).

400. The consumption of beer amounted to 2,05,088 (1,92,010) gallons during the year. The United Breweries Limited and the The Venus Brewery in Bangalore and the Chamundy Brewery in Mysore continued to manufacture beer.

401. The revenue derived from Malt Liquors amounted to Rs. 6,09,664 (Rs. 5,50,869) comprising of Rs. 2,86,200 (Rs. 3,21,644) under duty and Rs. 3,23.464 (Rs. 2,19,699) under shop rentals.

402. The Excise Licensing Board continued to function during the year.

Foreign Liquors.

403. The number of foreign liquors license renewed was 72 (73) out of which 13 (13) were wholesale, 20 (21) retail off 7 (7) hotels and 32 (32) ordinary refreshment rooms (bars) license.

404. A comparative statement showing the consumption of Foreign liquors were :—

	Kind.	*1954-55.*	*1953-54.*
1.	Spirits ...	7,522·18 ...	13,683·22½
2.	Wines ...	881·15 ...	1,846·8½
3.	Malt Liquors ...	28,044·21¼ ...	58,394·8½

405. The revenue realised under license and gallonage fee was Rs. 3,90,022—6—0 (Rs. 3,96,791-0-0).

Ganja.

406. Eight licenses were granted for the cultivation of ganja on an extent of 40 acres of land in Gowribidanur Taluk. A quantity of 27,933 seers of issuable ganja was produced and received in the Provincial Ganja Stores in June 1955.

407. The limit of private possession of ganja continued to be 2 tolas.

408. The number of shops for the sale of ganja was 75 (75). Out of this, 4 Ganja shops which were temporarily opened continued during the year also.

409. The consumption of ganja during the year was 6,406 (5,010) seers. The revenue derived from ganja

amounted to Rs. 8,99,363 (Rs. 7,84,833) consisting of Rs. 4,40,408 (Rs. 3,41,818) under duty, Rs. 3,27,725 (Rs. 3,53,965) under shop rentals and Rs. 1,31,230 (Rs. 89,050) under sale of ganja.

Opium.

410. The issue price of opium from the Treasuries to the several licensees in the State continued to be Rs. 175 per seer of 80 tolas as in the previous year.

411. The limit of private possession of opium continued to be one tola as in the previous year.

412. The consumption of opium during the year was 465 1/2 (492) tolas.

413. The revenue derived from opium was Rs. 2,19,412-12-0 (Rs. 2,39,462-4-0) comprising of Rs. 1,37,359 (Rs. 1,52,761-2-0) under license fee and Rs. 82,053-12-0 (Rs. 86,701-2-0) under sale of opium.

Dangerous Drugs.

414. The number of licenses issued under the Dangerous Drugs Rules was 94(94). A quantity of 10 lbs. of dangerous drugs was imported from abroad and 449-9-7 was imported from other Indian States during the year.

Offences.

415. The total number of offences reported during the year under Excise and Opium Acts was 1,131 (1,207).

416. Of these, 197 (254) cases relate to heinous offences, 131 (72) to the cutting and removal of date trees and leaves and the remaining 803 (881) to the breaches of license conditions.

417. The number of cases relating to illicit distillation and kindred offences increased from 95 to 170 during the year, the largest number of cases reported being 122 (80) in Bangalore District.

418. The total number of offences relating to illicit manufacture of toddy was 10(12).

Hemp drugs.

419. The number of cases reported under Hemp Drugs was 142(161). Of these, nine cases related to illegal cultivation of ganja, four to unlicensed sale, 9 to possession without license, three to illicit transport and the remaining 117 to breaches of license conditions.

420. The number of offences reported under the Opium Act was 110(55).

Drunkenness.

421. Two hundred and fifty persons as against 454 were convicted for drunkenness.

REVENUE AND FINANCE

Incidence of Taxation.

422. The incidence of taxation per head of population was Rs. 3-12-5 (Rs. 3-9-0) computed in respect of population of the wet Districts of the State leaving out the dry districts.

423. The grant that was being sanctioned for the purpose of temperance propaganda to the Mysore State Temperance Federation was stopped from 1953-54, the policy of the Government being one of prohibition which has been introduced to more than half of the State.

(iii) Sales Tax

424. This is the seventh year of the introduction of the Sales Tax Act.

425. The Commissioner of Excise continued to be the *Ex-officio* Commissioner of Sales Tax. The Deputy Commissioners' Divisions remained at two and the Sales Tax Officers' Circles at 12 inclusive of the non-resident dealers' Circle. One of the Sales Tax Officers was posted to the charge of this Circle and a seniormost Assistant Sales Tax Officer was promoted as Sales Tax Officer in the vacancy caused.

426. Eighteen Special Revenue Inspectors who were taken on deputation basis to speed up the collection of arrears and to conduct prosecutions in the Magistrates' Courts were continued during the year. One Executive Officer of the rank of a Sales Tax Officer was appointed in December 1954 with jurisdiction over the Bangalore and Mysore Districts to start with, to have an independent inspecting agency in this department for detecting cases of under-assessment or escapement of assessment and preventing leakage of revenue, the said Officer to work under the control of the Deputy Commissioner of Sales Tax, Bangalore Division, Bangalore.

Important changes made in the working of the Act, and Rules.

427. The Mysore Sales Tax (Amendment) Act, 1954, which received the assent of the President, on 30th September 1954 was published as Mysore Act No. 25 of 1954. The amendments introduced far reaching changes in the method and collection of Sales Tax and introduced single point tax in respect of 43 articles, as recommended by the Sales Tax Committee.